

CITY FEDERAL

C R E D I T U N I O N



Annual Report 2022

Fresh Beginnings

75 years of history

VOL. NO. 75

NEWS FOR TODAY

CITY FEDERAL CREDIT UNION

Half of City Staff Joins Credit Union

Membership in the Amarillo City Federal Credit Union, an organization of city employes, embraces more than half of the city employes, Mrs. Inez Sullivan, member of the union supervisory committee, said

Wednesday.

The organization has a membership of nearly 250, said Mrs. Sullivan, who is city tax office manager. There are nearly 400 city employes.

Since its beginning about two months ago, the credit union has made loans amounting to approximately \$1,500, said Mrs. Sullivan.

Money was first milled (stamped with raised borders and fluted or

City Workers To Organize Credit Union

City department heads applied today for a charter for a city employes credit union.

The decision was made at a meeting called about 10 o'clock this morning by City Manager N. V. Moss. W. C. Johnson, representing the Federal Deposit Insurance Corporation, from Dallas, accepted the application. Mr. Johnson, formerly of Amarillo, told Clifford Davis, city personnel director, the charter should be issued within about five weeks.

An organizational meeting of city employes will be held when the charter is granted. Officers of the credit union will be elected at the meeting. Mr. Davis said the city has about 470 employes.

Assets of the credit union will depend upon the amount of stock purchased by city employes, said Mr. Davis. Stock will sell at \$5 a share. Mr. Davis said the union will serve both as a savings account and a loan agency.

The union will be called either the Amarillo City Federal Credit Union, the first choice for a name, or the Amarillo City Employes Federal Credit Union.

Mr. Davis said, judging from comments of the department heads about 80 per cent of the city employes favor the union.



President's Report

A Fresh Beginning.

On March 12, 1948, nine employees of the City of Amarillo were awarded with a certificate of insurance from the Federal Deposit Insurance Corporation for the formation of the Amarillo City Federal Credit Union.

The decision was made at a meeting called earlier in the month at 10 o'clock in the morning by City Manager N.V. Moss. Clifford Davis, the City Personnel Director was the first signature on the application.

The Credit Union grew rapidly, with a membership of nearly 250 members in the first two months, according to Mrs. Sullivan, the City Tax Office Manager. At the time there were nearly 400 city employees. The total amount of loans outstanding was approximately \$1,500.

Today, we have grown to serve a larger community:

- The credit union approaches \$100 million in total assets.
- We have 7,810 loans totaling \$83 million.
- We have 5,689 deposit accounts totaling \$76 million.

OUR MISSION

"City Federal Credit Union is committed to exceed our members expectations to meet their financial happiness, while providing a heartfelt and long-lasting relationship."

"City FCU recognizes its unique position to support our local community and all of its diverse members. We commit to demonstrating policies and actions to provide equal financial services, education, and opportunities for the underserved."

2022: YEAR IN REVIEW

IN MILLIONS

Total Assets

\$91.014

Total Assets grew by \$30.409

Total Loans

\$82.878

Loan Portfolio grew by \$30.722

Total Members 3,274

Membership increased by 467

CITY FCU
SERVED
MEMBERS

MORE THAN
350,000
TRANSACTIONS
FOR 43,000
MEMBERS

AND

MORE THAN \$738,000
IN DIVIDENDS

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTE: The credit union, continues its mission as a CDFI. We offer educational classes throughout the year. This includes "Homebuyers Bootcamp", "Getting You Behind the Wheel", "Banking 101", and "Small Business is Business". These classes assist our efforts to serve the underserved people and underbanked communities in our business area. The credit union wishes to fulfill that need. We remain the only CDFI-designated credit union in the Texas Panhandle.

EIGHTH CONSECUTIVE YEAR OF EARNINGS: I am pleased to report that City FCU has again achieved record earnings in 2022. We navigated increasing interest rates and are well-positioned for 2023. We recognized net income of \$601,000 and increased our regulatory capital to \$14.1 million.

We reinvest our income in our members and our community. Technology and services will continue to support the financial needs of our diverse membership.

The credit union is committed to building on these strengths. We are now positioned to look forward and build our business and serve additional members in 2023.

ARE YOU READY FOR OUR NEXT 75 YEARS? We are well on our way to improving lives and families for the next 75 years. We do need the next generation of credit union members to lead us this way. Won't you make sure your family knows, loves, and uses the credit union? We will be here to grow the next generations of Amarillo community members.

REMEMBER US: Let's share the community of City FCU with our friends and families. The credit union is a lower cost option with more convenience than any other financial institution in town. And it is YOUR credit union. As a member you are an owner.

WITH GRATITUDE: The future for City Federal Credit Union is brighter than ever. We value the daily exchanges that we have with our members. We thank you for choosing us and allowing us to be part of your family. We know you have many choices in choosing where to obtain financial services. The exciting growth opportunities, our deeper relationships in the community, and the potential to serve is a privilege.

Serving the Amarillo community,

Frank Frazzitta

Frank Frazzitta
Chief Executive Officer



BOARD OF DIRECTORS REPORT 2022

2022 was a year of growth for our employees and members.

We are a financial institution that exists to serve our members and help to improve their financial lives. We have taken steps to make sure that we are not bound to our two branches but are a prominent organization in this community that we hold dear. As we celebrate our fresh beginnings, we want to commemorate what we have achieved over the past year.

- **We have successfully started our mortgage program.**
- **We enjoyed another year of earnings for our members**
- **Our Community Development Financial Institution designation is in full swing as we are collaborating with many organizations to reach the underserved and underbanked communities in our area.**
- **We have added two new organizations to our fields of membership.**
- **We have partnered with a non-banking financial institution that promotes fertility health.**

Getting in the neighborhood: As we enter our second year of our Community Development Financial Institution (CDFI) certification, we have made great strides in making City FCU an intricate organization within the underserved communities in Amarillo. To ensure we reach the residents in the underserved communities in this area, we have partnered with these organizations:

- **Los Barrios de Amarillo**
- **Barrio Neighborhood Planning Committee**
- **Hispanic Chamber of Commerce**
- **North Heights Advisory Association**
- **San Jacinto Neighborhood Advocates**
- **City of Amarillo Continuum of Care**
- **Youth Success Project in North Heights**

Marc Lusk

Marc Lusk
Chairman

Our Vision

- Service-driven
- Innovative
- Relationship-Focused
- Accountability
- Integrity
- Entrepreneurial
- Member Delighted
- Enjoyable Atmosphere

SUPERVISORY COMMITTEE REPORT 2022

I am excited about our community development efforts, and am pleased to see the services offered to our members continue to improve. We follow an approved Plan of Action as our guideline for procedures to be performed during monthly meetings and at various times throughout the year. Every few months a committee member attends a board meeting to ensure we are all working towards the same goals. We learn accepted policies and procedures by viewing educational webinars or by attending other training as available. Loan documentation is routinely assessed, new and closed accounts are confirmed, cash counts are performed on a random basis, dormant account activity and other reports are reviewed.

The committee has contracted with Waypoint Advisory Services to perform some of the procedures requiring more in-depth audit knowledge such as reviewing staff and officials' accounts, doing test balances of the general ledger, and validating bank statement reconciliations.

When Credit Union officials and staff perform various mandatory actions during the year such as the ACH audit and the Disaster Recovery Test, at least one representative from the Committee is present. A Bank Secrecy Act Audit is performed annually. A verification of all Credit Union accounts is conducted every two years; the last one was performed June 2022 with no negative responses.

Based on audit requirements and standards for credit unions set forth by National Credit Union Administration (NCUA) Rules and Regulations, Waypoint Advisory Services performed a comprehensive review in January 2023. NCUA Federal Examiners conducted an examination in June 2022. In the reports provided to the Supervisory Committee by these agencies, both expressed confidence in the performance of the credit union and its staff. No major exceptions were noted in either case.

I am excited about the growth and modernization within the institution, and am pleased to see the services offered to our members continue to improve. I appreciate the opportunity to work with such a supportive and committed group of officers, staff and committee members.

Glenn Lavender

Glenn Lavender
Chairperson





STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2022

INCOME	2022	2021
INTEREST INCOME		
INTEREST ON LOANS	\$3,188,009	\$2,651,787
INVESTMENT INCOME	46,087	5,498
TOTAL INTEREST INCOME	3,234,095	2,657,285
INTEREST EXPENSE		
TOTAL INTEREST EXPENSE	727,979	440,725
NET INTEREST INCOME	2,506,117	2,216,650
LOAN LOSS PROVISION	120,000	550,000
NET INT INCOME AFTER PROVISION	2,386,117	1,666,560
NON-INTEREST INCOME		
DEPOSIT FEES	248,273	203,559
LENDING FEES	150,624	97,508
OTHER INCOME	63,253	3,827
TOTAL NON-INTEREST INCOME	462,149	304,894
NET INCOME	600,665	445,275
KEY RATIOS		
NET WORTH/ASSETS	15.54%	8.31%
RETURN ON ASSETS	0.66%	0.73%
OPERATING EXPENSE	2.47%	2.52%
LOANS/ASSETS	91.06%	86.06%
DELINQUENT LOANS/LOANS	0.21%	0.73%
NET CHARGEOFFS	0.42%	1.07%
ASSET GROWTH	50.18%	19.34%
MEMBERS	3,274	2,807
MEMBERSHIP GROWTH	16.64%	1.67%



STATEMENT OF FINANCIAL CONDITION

YEAR ENDED DECEMBER 31, 2022

ASSETS	2022	2021
CASH AND EQUIVALENTS	\$2,085,515	\$3,203,742
INVESTMENTS	50,540	50,240
LOANS	82,877,664	52,155,359
LESS: ALLOWANCE FOR LOAN LOSS	(335,866)	(586,108)
NET LOANS OUTSTANDING	82,541,798	
51,569,251		
FIXED ASSETS	4,303,227	4,403,797
PREPAID EXPENSES	215,277	80,894
ACCRUED INTEREST INCOME	619,836	376,059
OTHER ASSETS	1,197,915	921,196
TOTAL ASSETS	91,014,109	60,605,164
LIABILITIES & EQUITY		
SHARE DEPOSITS	24,692,156	24,703,063
SHARE DRAFTS	6,400,127	6,064,043
IRA SHARES	1,919,839	2,045,090
SHARE CERTIFICATES	37,454,914	18,745,357
OTHER INT. BEARING SHARES	5,214,000	1,243,904
TOTAL SHARES	75,681,036	52,801,457
LINE OF CREDIT	-	2,000,000
PAYABLES	547,927	343,663
ACCRUED LIABILITIES	642,555	423,113
SUBORDINATED DEBT	8,505,000	-
TOTAL LIABILITIES	9,695,482	2,766,777
MEMBERS EQUITY		
REGULAR RESERVES	640,292	640,292
UNDIVIDED EARNINGS	4,396,637	3,951,636
YTD NET INCOME	600,662	445,002
TOTAL MEMBERS EQUITY	5,637,591	5,036,930
TOTAL LIABILITIES & EQUITY	91,014,109	60,605,164

OFFICIALS AND STAFF

BOARD OF DIRECTORS

MARC LUSK..... CHAIRMAN
THOMAS HIGGINS..... VICE CHAIRMAN
CINDA JOHNSON..... SECRETARY
HECTOR MENDOZ..... TREASURER
TERRY BATES
MATTHEW LANGFORD
LANITRA BARRINGER

SUPERVISORY COMMITTEE

GLENN LAVENDER..... CHAIRPERSON
ROSEMARY ROBINSON
LUPE QUINONEZ

STAFF

FRANK FRAZZITTA..... CHIEF EXECUTIVE OFFICER
LYNNETTE BIRMINGHAM..... VICE
PRESIDENT
DESIREE RAMIREZ..... ACCOUNTING MANAGER
LUCY HERNANDEZ..... LENDING MANAGER
JEANNIE NINETE..... REAL ESTATE LENDING MANAGER
QUINTIN MARQUEZ..... MARKETING AND CDFI MANAGER

PERLA ANGUIANO..... LOAN OFFICER
JONATHAN BECERRA..... LOAN OFFICER
ANDREW MARMOLEJO..... LOAN OFFICER
ERIC SEALE..... REAL ESTATE LOAN OFFICER
ISABELLE ESSARY..... E- SERVICES COORDINATOR
ANA CASTANON..... COLLECTIONS COORDINATOR
DANIEL CHILDERS..... MEMBER SERVICES COORDINATOR
ALEXIS SCOTT..... TELLER
ELSA GAYTAN..... TELLER
ALIZE SANCHEZ..... TELLER



**CHANGE YOUR BANK.
CHANGE YOUR LIFE.**